

NON PURCHASE ORDER/RFIC PAYMENTS SELF ASSESSMENT PLAN – FY 2008

APPENDIX B MEASURE 1.2.C – INTERNAL CONTROLS

Justification for Subject Matter Selected

Payments that do not go through the LBNL Procurement System are considered Non Purchase Order (PO) payments. A Request for Issuance of Check (RFIC) form is the tool used to initiate and process these payments manually. Non PO/RFIC payments are administered by the Accounts Payable Department, which is part of the Controller's Office.

The total number of Non PO/RFIC payments (transactions) comprises approximately 15% of all Laboratory invoice payments processed through Accounts Payable. In FY 2007, there were approximately 9,000 manual Non PO/RFIC transactions with a total value of \$23M, of which 1,350 transactions (\$15M) were classified as Miscellaneous.

The current Non PO/RFIC process is manual and cumbersome. There is a potential control risk that could lead to unauthorized procurements. In addition, there is no policy specific to non PO purchases and, therefore, a lack of understanding and guidance may exist.

Scope

The Non PO/RFIC Payments Self Assessment will focus on the appropriate use of this process and will include a review of the following elements:

- Appropriateness
- Controls
- Documentation
- Signature authorization

This will include four separate assessments, representing all RFIC payment categories:

- Materials and Services
- Travel
- Other Direct Costs
- Other Compensation

Each area assessed may involve a various number of policies such as Travel, Stipends, and Conference Services.

Assessment Methodology

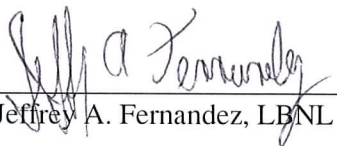
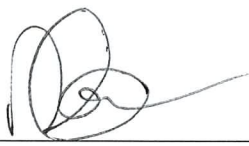
Random samplings will be conducted from the total universe of transactions representing all the RFIC categories listed above during the second quarter of FY 2008 (January through March).

Roles and Responsibilities

The assessments will be conducted by the Financial Policy and Training Manager, in collaboration with the Accounts Payable Manager.

Results, Reporting and Tracking of Corrective Actions

The results for each of the four assessments will be summarized and documented in a final Summary Report which will include recommendations and corrective actions, if warranted. Corrective actions will be tracked through completion in the Laboratory's Corrective Actions Tracking System (CATS). The Summary Report will be submitted to the Department of Energy Berkeley Site Office on behalf of the Laboratory's Chief Financial Officer. All assessment files will be maintained by the Financial Policy and Training Office.

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Jeffrey A. Fernandez, LBNL CFOA handwritten signature in black ink, appearing to read "Douglas Low", written over a horizontal line.
Douglas Low, DOE BSO